

ASX RELEASE

By Electronic Lodgement
31 December 2010

Not for Distribution to United States newswire services or for dissemination in the United States.

Crescent Gold raises A\$31.5m to date from Rights Issue

Top 10 Australian gold producer, Crescent Gold Limited (ASX: CRE), is pleased to announce the Company has to date raised A\$31.5 million through the issue of 286,524,297 ordinary shares under the rights issue announced to the market in November.

The Company also announced today that as a result of ongoing Expressions of Interest in the rights issue from domestic and international investors, it is confident of achieving full subscriptions for the target total of A\$45 million when the capital raising closes at the end of next month.

In an update released today on progress with the capital raising, Crescent Gold said it had received more than A\$4.4 million from existing shareholders and had placed shares worth a further A\$27.0 million with sophisticated investors, including global gold funds based in Australia, North America and the United Kingdom.

Due to the proximity of the holiday season with the closing of the rights issue, Crescent Gold has extended its rights shortfall capital raising until January 31, 2011. The Company has received Expressions of Interest from a number of northern hemisphere and Australian institutions. Due to the holiday interruption, CRE will keep the placement open for another month to allow these institutions an opportunity to participate in the shortfall placement in an orderly manner.

“The success of this raising to date demonstrates inherent interest in Crescent Gold as an expanding 100,000 ounce a year producer, and the Company’s investment appeal has been identified by a number of sophisticated investors,” Crescent Gold’s Interim Managing Director, Mr. Mark Tory, said today. “Based on existing expressions of interest the Company is confident the remaining A\$14 million target will be placed before the end of January.”

Crescent Gold is using proceeds from the rights issue to substantially strengthen its balance sheet and provide financial flexibility to further grow its gold production profile.

One of the principal uses of proceeds from the 2-for-3 non-renounceable rights issue will be to advance feasibility and development work on the Summit underground gold mine located within the Company’s flagship Laverton area north of Kalgoorlie in Western Australia.

An operating gold mine in the 1980s, Summit produced in excess of 1.0 million ounces but closed in 1994 when the gold price was approximately US\$380 per ounce.

Crescent’s initial studies have suggested a resurrected Summit mine could produce between 50,000 and 70,000 ounces of gold per annum.

ASX Code: CRE
TSX Code: CRA
FFT Code: CRE5

SHARE INFORMATION

ASX Share Price: A\$0.12
Issued Shares: 914.7m
Market Cap: A\$109.8m
Unlisted options: 35.9m

FULLY DILUTED BASIS

Shares: 950.6m

CONTACT DETAILS

Level 2,
40-48 Subiaco Square
Subiaco WA 6008
Phone: +61 8 6380 7100
Fax: +61 8 6380 7199
info@crescentgold.com
www.crescentgold.com

ABN 49 087 360 996

Preliminary mining studies indicate the opportunity to recommence mining from the existing resource of 2.66 million tonnes grading 6.64 gpt gold, for total production of over 500,000 ounces. Independent cash flow analysis suggests that at current gold prices robust profit margins and an estimated IRR exceeding 50% can be expected, based on an initial capital outlay of A\$33 million.

The following table shows the breakdown of these resources into Measured, Indicated and Inferred.

	Tonnes Kt	Grade g/t	Contained Au oz
Measured	-	-	-
Indicated	2,040	6.5	427,000
Total Measured & Indicated	2,040	6.5	427,000
Inferred	620	7.1	141,000
Total ounces	2,660	6.64	568,000

Attached is the Company's Reserves and Resource tables as previously disclosed in a statement issued to the ASX on 28 September 2010 and also within the 30 June 2010 Annual Report.

In addition, the rights issue proceeds will also be used to undertake a partial reduction of Crescent Gold's debt, allowing a negotiation of more attractive working capital facilities, and to consider widening its highly successful reserve enhancement and exploration drilling across its substantive Laverton holdings.

Cautionary Statement Regarding Forward-Looking Statements

Information set out in this press release contains forward-looking statements, which involve a number of risks and uncertainties. These statements reflect Crescent's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Crescent cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to, statements about the Summit underground development, including estimated production and costs, possible or assumed future results of operations and operating cash flows, growth opportunities and other statements that are not historical facts. These forward-looking statements should not be relied upon as predictions of future events. Crescent does not undertake any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

The information in this report that relates to gold Exploration Results is based on information compiled by Mr Jeff Ion, who is a Member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists and is employed by Crescent. The information in this report that relates to Ore Reserves utilising underground extraction (the Summit deposit) is based on information compiled by Mr William Holly, who is a Member of the Australasian Institute of Mining and Metallurgy and is an independent consultant. They each have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and a Qualified Person under "Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects". They each consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Additional information related to the Company is available for review at sedar.com or on the Company's website at www.crescentgold.com.

For further information please contact:

In Australia:

Mark Tory
Interim Managing Director
+61 8 6380 7100

In Canada:

Renee Brickner
+1 604 802 6806

Media:

Kevin Skinner
Field Public Relations
+ 61 8 8234 9555

Regards

Crescent Gold Limited



Mark Tory

Interim Managing Director

Reserves and Resources classified according to the JORC Code (2004) as summarised in the following tables:

Table: LGP Ore Reserves as at 30 June 2010

Deposit	Proven		Probable		All
	Tonnes Kt	Au Grade g/t	Tonnes Kt	Au Grade g/t	Contained Au oz
Admiral Hill	-	-	780	2.0	50,000
Bells	-	-	35	2.9	3,000
Burtville	-	-	415	1.4	18,000
Castaway	-	-	-	-	-
Craiggimore	-	-	400	2.0	26,000
Euro	-	-	-	-	-
Fish	-	-	435	3.5	49,000
Grouse	-	-	83	2.0	5,000
Lord Byron	-	-	640	1.4	30,000
Mary Mac	-	-	420	1.8	24,000
Mary Mac South	-	-	570	1.4	7,000
Sickle	-	-	145	1.5	35,000
West Laverton	-	-	825	1.3	35,000
Stockpiles	-	-	885	0.9	26,000
Sub-Total Open Pit Deposits	-	-	5,640	1.7	300,000
Summit - Underground	-	-	860	5.3	145,000
TOTAL	-	-	6,500	2.1	445,000

Table: LGP Mineral Resources as at 30 June 2010

Deposit	Measured		Indicated		Total Measured & Indicated	Inferred		Total Inferred	All
	Tonnes	Au Grade	Tonnes	Au Grade	Contained Au	Tonnes	Au Grade	Contained Au	Contained Au
	Kt	g/t	Kt	g/t	oz	Kt	g/t	oz	oz
Admiral Hill	-	-	4,060	1.2	160,000	1,000	1.2	40,000	200,000
Barnicoat	-	-	340	1.3	14,000	250	1.0	8,000	22,000
Bells	-	-	595	2.0	38,000	35	1.4	2,000	40,000
Black Label	-	-	-	-	-	610	1.0	20,000	20,000
Burtville	-	-	700	1.5	35,000	-	-	-	35,000
Castaway	-	-	250	1.5	12,000	30	1.8	2,000	14,000
Craiggimore	-	-	935	2.3	69,000	110	2.8	10,000	79,000
Euro	-	-	255	1.7	14,000	310	1.7	17,000	31,000
Fish	-	-	445	4.0	58,000	130	3.7	15,000	73,000
Grouse	-	-	520	1.7	29,000	30	1.3	1,000	30,000
Ida H	-	-	-	-	-	630	1.4	28,000	28,000
Lily Pond Well	-	-	-	-	-	340	1.4	15,000	15,000
Lord Byron	-	-	3,200	1.0	103,000	2,000	0.9	57,000	160,000
Mary Mac	-	-	500	2.1	34,000	15	1.6	1,000	35,000
Mary Mac South	-	-	770	1.7	43,000	90	1.8	5,000	48,000
Sickle	390	1.65	200	2.6	37,000	150	3.1	15,000	52,000
West Laverton	41	1.9	1,270	1.8	74,000	300	1.5	15,000	89,000
Liberty	-	-	800	2.1	53,000	830	2.0	54,000	107,000
Calypso	-	-	310	2.8	28,000	110	1.7	6,000	34,000
Elation	-	-	50	1.7	3,000	120	1.6	6,000	9,000
Eclipse	-	-	200	2.9	19,000	150	2.0	9,000	28,000
Aurora	-	-	180	2.9	17,000	380	2.3	28,000	45,000
Emerald	-	-	1,590	2.1	107,000	1,100	2.1	72,000	179,000
Apollo	-	-	-	-	-	1,400	2.4	109,000	109,000
Summit	-	-	2,040	6.5	427,000	620	7.1	141,000	568,000
Crown Jewel	-	-	-	-	-	90	6.0	18,000	18,000
Odyssey	-	-	70	4.0	9,000	3	5.0	1,000	10,000
TOTAL	431	1.68	19,200	2.2	1,380,000	11,000	2.0	695,000	2,075,000

Additional notes for tables:

- *Mineral Resources are inclusive of Ore Reserves.*
- *Figures have been rounded to 2 or 3 significant figures to reflect the accuracy of the estimates (note that this rounding can yield apparent computational discrepancies).*
- *Contained gold for Mineral Resources is insitu.*
- *The resources at Barnicoat, Burtville, Craggiemore, Ida H, Sickle, West Laverton, Crown Jewel, Odyssey, Apollo and Liberty lie below existing open pits, while resources at Craggiemore, Ida H and Summit are transected by historic underground workings.*
- *Mineral Resources for Summit are based on historic underground mine records and reports; mining occurred prior 1940 and from 1980 to 1994. Following a deep drilling programme and assessment of historical data, a comprehensive resource evaluation was completed by Resource Service Group in 1995.*
- *Probable Reserves at Summit are based on extensions of the main orebody (Indicated Resources) below and lateral to previously stoped areas, and using a A\$1350/oz gold price and dilution of 20% at 0g/t.*
- *Open pit Ore Reserves are based on a A\$1250/oz gold price; State Royalty 2.5%; Native Title Royalty 0.24%; pit designs and cut-off grades based on costs derived from current contracts for mining and hauling, and toll milling at Granny Smith. Contained gold for open pit Ore Reserves is net of mine dilution and ore loss.*
- *In estimating the Ore Reserves for Admiral Hill ore value was factored down using geologically modelled soluble copper grades times cyanide consumption cost per unit copper.*
- *Resources and Reserves at Sickle, Euro, Admiral Hill and Castaway have been depleted to account for mining which occurred from 1 October 2009 to 1 July 2010.*
- *Abbreviations: Kt = 1,000 tonnes, g/t = grams per tonne, Au = gold, oz = ounces (Troy).*

For personal use only